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SIPDIS

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TAGS: AMED EAID PREL US ZI HIV AIDS
SUBJECT: ZIMBABWE ARV CRISIS LOOMING

1) Summary: A crisis is looming for Zimbabweans living with AIDS on anti-retroviral (ARV) regimens. There are currently very low stock-levels of all ARV drugs in both the public and private sectors. Due to foreign exchange shortages and controls, the GOZ is either unwilling or unable to provide adequate resources to procure ARVS. UNICEF is trying to work out a solution to the immediate problem by negotiating a currency swap with the Ministry of Health (MOH). If longer-term solutions are not rapidly found, there is a significant risk of drug resistance or death for those that will no longer have access to these life prolonging drugs. End Summary.

2) Background: Zimbabwe is at the epicenter of the HIV/AIDS pandemic and is experiencing a generalized epidemic that has propelled the country towards a crisis affecting every family in the nation. The following statistics depict the gravity of the situation: 20% of sexually active adults (15-49 years) are HIV-infected; life expectancy has fallen from 61 years to 34; there are an estimated 3,290 deaths due to AIDS each week and an estimated 1,000,000 children have been orphaned due to AIDS. Of the 1.8 million that are HIV positive, approximately 342,000 are in need of (ARVs) drugs. It is estimated that only 20,000 Zimbabweans presently have access to ARVs. Half are estimated to be receiving the ARVs from the public sector, with the other half purchasing from private pharmacies.

3) Candid Admission by GOZ: At a recent HIV Care and Treatment Forum, GOZ officials were uncharacteristically forthright on ARV stock levels, stating that public sector stock levels were below 3 months of supply. (Note: Minimum standard stock levels for the ARVs should be 6 months. End note.) Stock levels in private local pharmacies are extremely low or unavailable.

4) Broken Promises: In 2004 the Ministry of Finance stated that it would supply the Ministry of Health with US$2 million per month in foreign currency to purchase ARVs. In December 2004, the Ministry of Finance finally made US$2 million available and the MOH used the funds to procure generic drugs through a local manufacturer. Despite the Ministry of Finance's commitment, no further foreign currency has been made available to the MOH for ARV procurement.

5) AIDS Activists: Both international and local media have started to publicize the impending ARV stock out crisis and the lack of foreign currency for drug procurement generally. While AIDS activists in Zimbabwe are rarely vocal, they have recently banded together to petition the Governor of Zimbabwe's Reserve Bank to make foreign currency available for ARVs.

6) Price Increases: The price of ARVs for patients receiving care in public sector health facilities has remained stable for over a year at a subsidized rate of less than US$2 for a month's supply. The cost is rapidly escalating, however, at private sector pharmacies due to high inflation (359%) and the rising cost of foreign currency. In July alone, the cost of a month's supply of generic fixed-dose combination ARVs increased from US$7 to US$17; the same supply now costs US$46. Like most commodities in Zimbabwe, the price of ARVs increases weekly, if not daily. With an estimated 75% unemployment rate in the formal sector, and 80% of the population living below the poverty line, the reality is that the vast majority of Zimbabweans can ill afford the price of ARVs even at a subsidized rate. In addition, there are significant other costs to accessing

ARVs, such as laboratory tests or even transport to a health facility.

7) Drug Resistance: Increased ARV prices and shortages will inevitably have dramatic repercussions for patients on treatment. ARVS need to be taken consistently, on a daily basis, as interruptions can cause resistance to the drugs. As costs rise and supplies are inadequate, doctors fear that patients may cope by reducing the quantity they take on any given day or by not being able to take the drugs at all.

8) Foreign Currency: The cause of the low stocks of ARV drugs is the acute shortage of foreign currency to purchase the drugs internationally. While Zimbabwe has some local production of generic ARVs, the sole local manufacturer (Varichem Pharmaceuticals Private Limited) is also facing problems due to shortages of foreign currency needed for importation of raw materials to produce the drugs.

9) Global Fund: Zimbabwe has received limited amounts of Round 1 Global Fund monies devoted to ART, insufficient to cover the current national requirements. In October, Zimbabwe was awarded Round 5 monies. However, it is unlikely these monies will flow quickly enough to mitigate the national shortages. Moreover, the Global Fund proposal specified intensive coverage of only a limited number of districts, not to the overall national supply. Thus Zimbabwe may, in fact, be put into a contradictory predicament to 'scale up' ART in certain districts per the Global Fund proposal, while running out of supplies in many other districts.

10) Local Currency Swap: UNICEF is actively trying to put together a solution to the immediate drug shortage by negotiating a currency swap with the MOH. Under this plan, the GOZ would provide local currency to UNICEF/Zimbabwe which, in turn, would use its foreign currency and its procurement channels to procure ARVs for the GOZ public health system. UNICEF/Zimbabwe would use the local currency supplied by the GOZ for its own in-country operating costs. Last week, the MOH hosted a meeting in which it proposed that donors and international NGOs also participate in the swap mechanism and that UNICEF manage the funds and procure the ARVs.

11) Comment: A number of questions remain regarding whether the GOZ will be able to solve the ARV shortage. Even with UNICEF's assistance, it is unclear at this point if the Ministry of Finance will approve the proposed swap process and, if it does, whether it will provide sufficient local currency for it to work. Even if all goes well with the proposed swap, the underlying problem is Zimbabwe's fast contracting economy which is simply not generating the foreign exchange necessary to pay for the country's import needs: food, fuel, electricity, drugs, etc. Zimbabweans currently taking ARVs and the hundreds of thousands still in need of these drugs are increasingly taking note of the GOZ's expenditures on foreign travel, imported vehicles and large arrearage payments to the IMF. They are starting to openly question the GOZ's priorities for foreign currency and whether these include their needs for life saving drugs.
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